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Hughes Gift Tied to

By Carl Bernstein and Bob Woodward
Washington Post Staff Writers

President Nixon's former attorney has testified under oath here that portions of a secret $100,000 campaign contribution from billionaire Howard Hughes were either loaned or given to the President's secretary — Rose Mary Woods — and to Mr. Nixon's brother Donald, according to informed sources.

The sources said Herbert W. Kalmbach, formerly the President's personal attorney, testified in secret recently that he learned of the alleged gifts or loans in a conversation with Charles G. (Bebe) Rebozo, Mr. Nixon's close friend.

Kalmbach's testimony directly contradicted sworn testimony by Rebozo, who has insisted he kept the $100,000 in a Florida safe deposit box for three years and then returned it to Hughes. It also contradicted testimony by Miss Woods, who has sworn that she never received any money from Rebozo.

The testimony by Kalmbach also contradicted a public explanation by Mr. Nixon of what happened to the $100,000. At a press conference last Oct. 26, Mr. Nixon said Rebozo kept the money for three years and did "not touch it—because it was turned back in exactly the form it was received. I think that is a pretty good indication that he is a totally honest man, which he is."

Although there have been extensive examples of the use of cash to finance secret White House operations, Kalmbach's testimony represents the most significant allegation to date that persons close to the President might have received cash for their personal use.

According to several sources, Kalmbach has told both the Senate Watergate Committee and the Watergate special prosecutor's office that Rebozo called him to the White House last spring for legal advice about the $100,000.

Rebozo then told Kalmbach that he had turned over part of the $100,000 to Rose Mary Woods and F. Donald Nixon for their personal use, according to the sources' description of Kalmbach's sworn testimony. The exact amount of money referred to could not be learned.

According to the sources, Kalmbach

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Miss Woods, Nixon Kin

has testified that the conversation with Rebozo took place shortly after the latter learned last spring that the Internal Revenue Service was investigating the $100,000 Hughes' contribution.

When Rebozo asked him what he should do about the matter, Kalmbach advised that the IRS be told that part of the money went to Miss Woods and Donald Nixon, the sources said Kalmbach has testified.

Rebozo thanked Kalmbach for the advice but did not tell him if he intended to follow it, according to sources' account of Kalmbach's testimony. Several months later, Rebozo instructed Kalmbach never to reveal what had been discussed at the meeting, the sources said Kalmbach has testified.

Rebozo's attorney, William S. Frates, said yesterday that Kalmbach's testimony as reported would indeed contradict what Rebozo has previously sworn. "I believe Rebozo," Frates said. "I believe that clients can cover up things, but I don't think he has."

Frates said he would discuss the matter with Rebozo and Kalmbach's attorneys before making a full statement.

Frates then called back late yesterday afternoon and said he had spoken with Rebozo. "He flatly denies this story," Frates said.

Kalmbach could not be reached for comment yesterday and his lawyer, Edward R. Morgan, declined to discuss the report.

Charles Rhyne, attorney for Rose Mary Woods, said yesterday that "it's just preposterous from what I know of her" that Miss Woods would have accepted any money from Rebozo. "No. I've never discussed it with her but she has said in a number of depositions that she has never gotten anything from Rebozo," Rhyne added.

According to Rhyne, Miss Woods was most recently asked about the matter during questioning under oath by the Senate Watergate Committee staff several weeks ago. "She said she never had (received any money from Rebozo), that she didn't even exchange gifts at Christmas with him, although they are good friends," Rhyne said.

The ongoing investigation into the

See WATERGATE, A10, Col. 1

Hughes Gift Is Linked to Miss Woods

WATERGATE, From A1

$100,000 Hughes' contribution is apparently the final full-scale inquiry being conducted by the Senate Select Watergate Committee. Both the committee and the special prosecutor's office have been especially secretive about the progress of their attempts to untangle the complicated cash transaction.

The $100,000 from Hughes was delivered to Rebozo in two separate cash installments of $50,000 each in 1969 and 1970, according to sworn testimony by Rebozo and representatives of the Hughes organization.

Beyond that apparently undisputed fact, investigators have assembled a mass of contradictory testimony about the $100,000 contribution, including differing accounts of its purpose.

Rebozo has testified that both $50,000 installments were intended for the President's 1972 re-election campaign.

Richard G. Danner, a friend of the President and an executive of the Hughes organization, has said that the first $50,000 was intended as a late contribution to the 1968 Nixon campaign and that the second $50,000 was for the 1970 congressional elections.

Robert A. Maheu, the former manager of the Hughes empire's Nevada gambling operations, has sworn in depositions that the first $50,000 was for the 1968 Nixon campaign, but testified that the second installment was connected to antitrust problems Hughes was having with the Justice Department.

Within weeks after the alleged Rebozo-Kalmbach meeting about the $100,000, according to several sources, Rebozo also sought advice about the $100,000 from Philadelphia tax attorney Kenneth W. Gemmill, who has handed tax matters for the President.

Gemmill, according to the sources, recommended that Rebozo return the money to the Hughes organization to avoid "embarrassment" with the Internal Revenue Service. None of the sources suggested that Gemmill had knowledge of any of the money going to either Miss Woods or the President's brother at the time he advised Rebozo.

After apparently deciding to follow Gemmill's advice and return the money, sources said, Rebozo encountered difficulty finding someone in the Hughes organization who was willing to take it back.

Among those who refused to touch the money was Danner, who has testified that Rebozo arranged in May, 1973 for him to meet with President Nixon. The meeting took place at Camp David the day after Danner had rejected Rebozo's pleas to take back the $100,000. Both Danner and presidential spokesmen have insisted that the $100,000 was not discussed at the May 20 meeting at Camp David.

Danner has also told investigators that both Rebozo and President Nixon were present at a meeting in 1968 when a request was made for a Nixon campaign contribution from Hughes, according to several sources. Mr. Nixon and the White House repeatedly had stated that Mr. Nixon has never participated in any discussion of political contributions and had nothing whatever to do with the solicitation or the return of the $100,000.

Donald Nixon has since figured in the controversy surrounding another Nixon campaign contribution, this one involving $200,000 from financier and accused swindler Robert Vesco to the Committee for the Re-election of the President.

Donald Nixon recently testified in the trial of former Nixon administration Cabinet members John N. Mitchell and Maurice Stans that he transmitted a request to Mitchell seeking help in an investigation by the Securities and Exchange Commission of Vesco.

Last year, The Washington Post reported that President Nixon personally ordered that his brother Donald be wiretapped as a means of keeping tabs on his business dealings. Mr. Nixon later acknowledged ordering the wiretap on his brother, but said its purpose was security related.

Miss Woods, who has been Richard Nixon's personal secretary for 23 years, has also been a subject of the special prosecutor's investigation of an 18½-minute gap in a crucial Presidential tape recording related to Watergate.

During a federal court hearing earlier this year, Miss Woods testified that she might have been responsible for accidentally erasing up to five minutes of a conversation between the President and his former White House chief of staff, H. R. Haldeman, but denied that she could have caused the full 18½-minute gap on the tape.

According to a court-appointed panel of tape experts, the gap was caused by between five and nine erasures, apparently deliberate, made on a White House tape recorder.